



FOR IMMEDIATE RELEASE

**Paris EUROPLACE International Financial Forum New York  
« How are US and European Capital Markets Challenging Globalization? »  
New York, Monday, October 22, 2007**

### **PARIS MARKETPLACE MOVING FORWARD**

**New York, October 22, 2007 – On the occasion of the 10<sup>th</sup> Paris EUROPLACE International Financial Forum in New York, M. Gérard MESTRALLET, Chairman of Paris EUROPLACE, stresses the major changes which are establishing Paris as a major international financial center:**

- The NYSE Euronext combination creates the world's largest stock exchange in volume of traded securities and the world's premier listing platform through its European hub.
- Investment banking activities are experiencing a new momentum as French banks now represent more than 25% of the worldwide market in equity derivatives.
- The significance of the French Asset Management Industry is evidenced by the position of the major French players; five of them are ranked in the top 25 global institutions (Axa IM, BNP Paribas AM, Crédit Agricole AM, SGAM).
- France holds a leadership position in financial research with a pool of international financial experts.
- The French regulatory system's efficiency has proved its strength in its response to the current liquidity crisis.
- The Mifid's Big Bang, on November 1<sup>st</sup> 2007, will create a new competitive environment in the trading and distribution of financial instruments at the European level and will illustrate the implementation of the « better regulation » principles.

**The strategic importance of the financial industry has been recognized by the French President Mr. Nicolas SARKOZY through the creation of a round table discussion and the nomination of a “high level committee” chaired by Mrs. Christine LAGARDE, Minister of Economy, Finance and Employment. The Committee is responsible for initiating and implementing new measures to strengthen the attractiveness of Paris financial services.**

**An action plan has been initiated which covers five priority items:**

- **Improving the ecosystem to foster the development of banking, asset management, insurance and research activities:** these actions mainly concern the improvements of tax incentives to attract foreign skills, the simplification of administrative procedures, the use

of English in financial operation documentation as well as the development of new infrastructures to foster the development of international companies located in Paris.

- **Attracting long-term capital**: key priorities include the introduction of long-term savings instruments (tax and regulatory incentives for equity instruments, pension funds, employee saving schemes) and reforms to support the expansion of venture capital and the financing of young financial enterprises.
- **Organizing a better regulatory and tax environment**: measures will be adopted to enhance the interaction between regulators and market players and to implement the “better regulation” principles. Significant measures have already been implemented with the reduction of the income tax and the establishment of a tax shield. Furthermore, the abolition of the stamp duty is under review.
- **Strengthening financial research & innovation**: other actions concern a better mobilization and coordination of public/private sector funds, the upgrade of researchers’ status, the establishment of closer relations between research centers and financial institutions, the development of incubation facilities, and the allocation of new capital resources for young innovative companies.
- **Capturing marketshare in new sectors by developing new instruments in carbon finance, meteorological risks as well as in the Socially Responsible Investment field in conjunction with the introduction of a specific dedicated financial cluster “FINANCE INNOVATION”**. Concrete actions concern the acceleration of CO2 related projects by the banking sector, the joint venture Metnext launched by NYSE Euronext and Météo France, a new exchange dedicated to climate related financial products as well as a Carbon Finance trading platform sponsored by NYSE Euronext and Caisse des Dépôts. Moreover, an action plan has been initiated to boost the Socially Responsible Investment (SRI) field and new financing instruments for environmental technologies.

**4 working groups have been established to boost progress and identify specific recommendations, in the fields of:**

- **Regulation**
- **Infrastructures**
- **Administrative procedures**
- **Long term saving instruments.**

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